'Labourers won't bow to repression'

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Fauzi Abdullah has been close to factory workers for over 15 years, and has witnessed their frustration rise. Today he heads a labour study centre (LIPS) in Bogor. He recalls the first strike he saw close-up, and risks a look into the future.

When did you become involved with labour?

I started working at the Legal Aid Institute (LBH) in Jakarta in about 1978. I had almost finished my studies and was tutoring English literature at the University of Indonesia. I worked part-time at LBH for the money.

There was as yet no special labour programme at LBH. But in 1980 the PT Textra case broke out. Workers came to LBH and I sat in. Then almost every night I went to their home, to learn about labour with them. Gradually we became friends. I noted it all down - they didn't know. They looked me up at LBH, even though I was not a lawyer. They wanted a place for protection, but also to learn. They would open books about the law. But they lacked confidence.

They were angry because they got no official wage. They were supposed to be in training and got only pocket money, even though they had been working for years. But they never did

They wanted to organise a labour union, but they got nowhere. They invited the state-sponsored textile union (within SPSI) to come and meet with them, but the union officials didn't come. However, the next day the company invited these same officials to come and they came. So the union that eventually came about was one set up at the initiative of the company. This made them disappointed, also with the SPSI.

Soon after that they were fired, and then they found out that all the companies had a blacklist. When one of them was accepted at a nearby company as a forklift driver, they saw their own name on a blacklist circulating among the companies, and did not get the job.

They realised that if there was no cooperation between labourers, it would be difficult. So I joined them to try to work out how they might get together. This is how LBH's labour programme came about.

Now it is 15 years later. Has the situation changed fundamentally?

I do not yet see a fundamental change. Labour is still in a weak position. The only change I see is that workers are becoming more outspoken. Now they come to us much more to ask for help. Pressure for change comes from outside and inside the country. The government is learning that harsh methods of military intervention can never be permanent. People will get tired of it.

The harshest times were when Sudomo was commander of the extrajudicial military agency Kopkamtib, and then as Labour Minister. He permitted military intervention in strikes. But in fact this caused the number of strikes to increase sharply. That was

But aren't there so many looking for work in Indonesia that a company can afford just to fire those who want to strike?

Yes, but that's no excuse for arbitrary behaviour. Seen objectively, a company has a very strong bargaining position in a labour surplus economy. But we have to remember too that labour unrest creates difficulties. Even getting rid of 100 unskilled workers and replacing them with new ones certainly causes a disruption to the factory.

Looking into the future, do you see the government becoming more responsible, and SPSI becoming effective, for example because of an APEC social clause pushed through by America? Or do you see the government still keeping wages down so it can compete with Vietnam and the others, while labour organises independently?

This is speculation of course. But I see investment coming from the NICS - Korea, Taiwan, Hong Kong, Singapore. We call this relocation investment. Perhaps middle level Japanese companies, not the big ones. Investment such as this looks for big profits, and will reconsider in about 8 or 10 years whether it wants to go or move elsewhere. These conditions ensure that labour conditions will remain poor, because this is short term investment. The government has to give facilities to investment of this nature. They have to compete with Vietnam and China.

But pressure from labour inside Indonesia will continue to increase, as it has done since 1990, in the form of strikes, and of media coverage of labour unrest. Overseas pressure will also increase, by a social clause or whatever. But the role of the independent labour unions such as PBBI and SBSI will remain important, increasingly so.

I think in the light industries there will be a lot of unrest - textiles, garments, plastics, shoes. There is strong competition from China, Sri Lanka, and so on. But it is also beginning in the white collar sector, for instance in banks. I think this will be important in the future. Because whereas labourers live from hand to mouth, these white collar workers are different. It is possible that in future they may work together, because white collar workers also have little power.

There is an argument that labourers should not demand so much because they themselves could suffer later if the company goes broke or moves elsewhere.

But does a company really move elsewhere only to find cheaper wages? I think they consider other factors, such as political stability. They like to have things predictable. And the so-called high cost economy (a euphemism for corruption) is also a factor - military intervention is part of that. It is said that only about 7.5-11% of production costs are spent on labour, while about 25-30% go to 'hidden' costs. The ratios between highest and lowest wages can also be as high as 200. So it's not as easy as saying a company will just shift if wages were to rise.

In recent years, the Jakarta area (Jabotek) has comes first in the number of strikes, then Surabaya, then perhaps Bandung, or Medan. In April 1994 about 25 companies got involved in the labour demonstrations in Medan. Before the strikes, the government had promised a wage rise at the end of 1993. But it was not implemented. Until the big demonstrations broke out. Then immediately afterwards the proposal was revived, and by August the new wage levels had been implemented. So from the point of view of improved conditions, the demonstrations were effective. At the end of the year there was a proposal for further increases in 1995, and these were not impeded.

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